

By: Paddie

H.B. No. 10

A BILL TO BE ENTITLED

AN ACT

relating to the governing body of the independent organization
certified to manage the ERCOT power region.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 39.151, Utilities Code, is amended by
amending Subsections (g) and (g-1) and adding Subsections (g-2),
(g-3), (g-4), and (g-5) to read as follows:

(g) To maintain certification as an independent organization
under this section, an organization's governing body must be
composed of persons specified by this section and selected in
accordance with formal bylaws or protocols of the organization.
The bylaws or protocols must be approved by the commission and
must reflect the input of the commission. The bylaws must specify
the process by which appropriate stakeholders elect members [~~and,~~
~~for unaffiliated members, prescribe professional qualifications~~
~~for selection as a member. The bylaws must require the use of a~~
~~professional search firm to identify candidates for membership of~~
~~unaffiliated members]~~. The process must allow for commission input
in identifying candidates. The governing body must be composed
of:

(1) the chairman of the commission as an ex officio
nonvoting member;

(2) the counsellor as an ex officio voting member
representing residential and small commercial consumer interests;

1 (3) the chief executive officer of the independent
2 organization as an ex officio voting member;

3 (4) six market participants elected by their respective
4 market segments to serve one-year terms, with:

5 (A) one representing independent generators;

6 (B) one representing investor-owned utilities;

7 (C) one representing power marketers;

8 (D) one representing retail electric providers;

9 (E) one representing municipally owned utilities;

10 and

11 (F) one representing electric cooperatives;

12 (5) one member representing industrial consumer
13 interests and elected by the industrial consumer market segment to
14 serve a one-year term;

15 (6) one member representing large commercial consumer
16 interests selected in accordance with the bylaws to serve a one-
17 year term; [and]

18 (7) one member representing residential consumer
19 interests appointed by the governor;

20 (8) two additional members appointed by the governor;

21 (9) one member appointed by the lieutenant governor; and

22 (10) one member appointed by the speaker of the house of
23 representatives ~~[five members unaffiliated with any market~~
24 ~~segment and selected by the other members of the governing body to~~
25 ~~serve three-year terms].~~

26 (g-1) The governor shall designate the presiding officer of
27 the governing body ~~[must be one of the members described by~~

1 ~~Subsection (g) (7)]~~.

2 (g-2) Members of the governing body of an independent
3 organization certified under this section that are elected or
4 appointed under Subdivisions 39.151(g)(7)-(10) serve staggered
5 terms of two years, with three members' terms expiring February 1
6 of each odd-numbered year and two members' terms expiring February
7 1 of each even-numbered year. Not later than the 30th day after
8 the date a member of the governing body's term expires, the
9 appropriate electing or appointing authority shall elect or
10 appoint a replacement in the same manner as the original election
11 appointment. If a vacancy occurs on the governing body, the
12 appropriate electing or appointing authority shall elect or
13 appoint a successor in the same manner as the original election or
14 appointment to serve for the remainder of the unexpired term. The
15 appropriate electing or appointing authority shall elect or
16 appoint the successor not later than the 30th day after the date
17 the vacancy occurs.

18 (g-3) To qualify for election or appointment as a member of
19 the governing body under Subsection (g), a person must be a
20 resident of this state.

21 (g-4) To maintain certification as an independent
22 organization under this section, an organization's chief executive
23 officer must be a resident of this state.

24 (g-5) A member of the board is not entitled to compensation.
25 Board members are entitled to reimbursement for travel and other
26 necessary expenses related to the activities of the council as
27 provided by the General Appropriations Act.

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SECTION 2. (a) The governor, the lieutenant governor, and the speaker of the house of representatives shall comply with Section 39.151, Utilities Code, as amended by this Act, by appointing members to the governing body of an independent organization certified under Section 39.151, Utilities Code, by the Public Utility Commission of Texas before September 1, 2021. To establish staggered terms, the governor shall designate three members to serve terms expiring February 1 of the next odd-numbered year and two initial members to serve terms expiring February 1 of the next even-numbered year.

(b) An independent organization certified under Section 39.151, Utilities Code, by the Public Utility Commission of Texas before September 1, 2021, shall ensure that the chief executive officer of the organization is a resident of this state as soon as practicable, but not later than September 1, 2022.

(c) After September 1, 2022, the Public Utility Commission of Texas may decertify an independent organization whose governing body or chief executive officer does not comply with Section 39.151, Utilities Code, as amended by this Act.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2021.